GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:516
ANSWERED ON:20.11.2007
FAKE CURRENCIES
Yerrannaidu Shri Kinjarapu

Will the Minister of HOME AFFAIRS be pleased to state:

(a) the details of unearthing of counterfeit currency rackets for the past six months in various parts of the country in each denominations;

(b) the details of the action taken against each of the case;

(c) whether there is any mechanism in the ministry to trace such rackets;

(d) if so, the details thereof; and

(e) the steps taken/proposed to taken by the Government to check such activities in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MANIKRAO H. GAVIT)

(a): A statement containing details of counterfeit currency recovered by Banks and seized by State/UT Police, denomination-wise and State/UT-wise, and number of FIRs registered, as reported to National Crime Records Bureau (NCRB), during the current year (upto September, 2007) is enclosed at Annexure `A`.

(b) to (d): `Police` and `Public Order` are State subjects under the Seventh Schedule to the Constitution of India and therefore, the State Governments are primarily responsible for prevention, detection, registration and investigation of crime including counterfeiting of currencies and for prosecuting the criminals through the machinery of their law enforcement agencies. The Ministry of Home Affairs, however, supplements the efforts of the State Governments by providing them financial assistance for modernization of their Police Forces in terms of weaponry, communication, equipment, mobility, training and other infrastructure under the Scheme of Modernization of State Police Forces. Further, intelligence inputs are regularly shared by the Central Security and Intelligence Agencies with the State Law Enforcement Agencies to prevent crime and law and order related incidents. The State Governments have also been advised from time to time to take such measures as are necessary for the prevention of circulation of counterfeit currencies.

(e): The following steps have been taken by various agencies under the Ministry of Home Affairs to check circulation of counterfeit currencies:

(i) Round the clock surveillance of the borders by carrying out patrolling (on foot, by boats and vehicle mobile), laying nakas (border ambushes) and by deploying observation posts all along the International Border (IB).
(ii) Upgradation of intelligence network and coordination with sister intelligence agencies.
(iii) Conduct of special operations, along the borders.
(iv) Introduction of modern surveillance equipment including night vision devices.
(v) Erection of fencing along the IB.
(vi) By increasing the number of BOPs and deployment on the IB.
(vii) Construction of border roads.
(viii) Riverine segments of IB are being dominated by deploying vessels/water crafts of BSF water wing.
(ix) Instructions have also been issued to all State Governments, particularly border States, to be more vigilant in this regard.
(x) CBI has been nominated as the nodal agency to monitor the investigation and tackling the crime of fake Indian currency notes (FICN). CBI holds periodical meetings with the Ministries/ Departments, police authorities, law enforcement and other security agencies. CBI also coordinates with the State level nodal officers on collection of information as well as for action against FICN.

The steps taken by various agencies under the Ministry of Finance are:

(i) Dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks.

(ii) Incorporation of additional security features in the Indian Bank Notes making counterfeiting difficult.

(iii) The Reserve Bank of India (RBI) has instructed all banks to equip their branches with Ultra Violet Lamps for detection of

counterfeit notes and to report to police authorities in case of detection of counterfeit notes at their branches. The currency chest holding banks have also been advised to install Note Sorting Machines at all the chests in a time bound manner.

(iv) RBI has installed Currency Verification and Processing Systems (CVPS) in its various offices, each having a processing capacity of 50,000 to 60,000 pieces per hour. These machines have the capacity to detect forged notes and also to sort the notes into non-issuable and re-issuable at the capacities indicated above.

(v) RBI has advised the Banks to set up Forged Note Vigilance Cells at their Head Offices for monitoring, implementation of RBI instructions etc. on forged notes.

(vi) RBI has initiated public awareness campaign to widely publicize security features of banknotes in the print and electronic media to help the people to detect fake notes.

(vii) For the benefit of public, a booklet (Your Guide to Money Matters) has been brought out which describes the features of genuine notes. This booklet has been placed on the RBI`s Website, www.rbi.org.in besides being available to the public for sale at RBI`s Issue Offices.

(viii) RBI have organized a number of training programmes for the bank officials, police officials, government departments, Border Security Force and ITBP to sensitize them on various aspects of Indian bank notes. The training of trainers is also undertaken by RBI.